

EARLY HISTORY OF OIL TRADE TOLD

For Over Two Hours John D. Rockefeller Tells of Development of His Company.

IMPOSING ARRAY OF COUNSEL

As He Began His Story He Gazed Complacently on a Swarm of Newspaper Men.

New York, Nov. 18.—Relating his story with the air of a country gentleman of kindly mien entertaining a host of friends with incidents of days long past, John D. Rockefeller, president of the Standard Oil company, though for nearly 10 years retired from the active cares of the company's direction, for over two hours today reviewed the history of the early oil trade and the development of the company that later grew into the present so-called oil trust. Mr. Rockefeller was a witness for the defense in a suit to dissolve the Standard which is being prosecuted by the United States government, and his appearance at the "strip" before Judge Franklin Fort, the referee, brought a large crowd to the customs building.

ROCKEFELLER AT EASE.
The head of the big oil combine was surrounded by an imposing circle of counsel, and when he began his testimony he gazed complacently upon a swarm of newspaper men, behind whom pressed close a throng of people that filled the room. Mr. Rockefeller appeared at complete ease, and when John G. Milburn, of counsel for the Standard Oil company, propounded his first question the witness spoke out in full tones, as if he desired the most distant spectator in the chamber to hear.

Then, in a manner that indicated a pleasure of which he was about to tell, Mr. Rockefeller spoke of his start in the oil business, and how, under adverse conditions, that business grew to proportions of the Standard Oil company of Ohio, with its capitalization of \$1,000,000. Mr. Rockefeller's eyes sparkled in reflection on this early financial organization, and speaking of its million-dollar capitalization with almost boyish enthusiasm, he said:

HIS MANNER ENGAGING.

Thus the proceedings lost, in a sense, their official aspect because of the engaging manner which Mr. Rockefeller displayed in his answers, which now and then contained flashes of kindly humor. A glow of health shone on Mr. Rockefeller's smooth-shaven face, and to inquiring newspaper men, he replied that he had never felt better. The president of the Standard was dressed in a plain business suit of dark material, and across his vest was suspended a heavy gold watch chain. A dark purple necktie, in which a large pearl pin was set, snuggled close to a high collar.

The development of Mr. Rockefeller's testimony, which carried him to the organization of the Standard Oil company of Ohio, indicated that one of the lines of the defense would be that the Standard Oil company is not the result of an aggressive policy to gain mastery of the oil trade, as charged, but the natural outcome of an economical development which the exigencies of the oil industry demanded.

During a brief recess this afternoon Mr. Rockefeller talked to the reporters on the Standard's growth, saying: "What a wonderful thing it all has been—the growth of this business. It all seems like a dream to me; and here I am accused of doing the very wicked thing of selling a good article at a lower price than any one else."

GOES BACK TO EARLY DAYS.

"This testimony here today brings back to my mind so clearly early days in Cleveland, where we were all friends and neighbors together. How well I remember that day in Cleveland when I went into the bank of T. P. Handy, who afterward became one of my dearest friends. I wanted to borrow money, but I did not have any collateral nor any one to indorse my note. I told him what I wanted to do with it, and then he asked me how much I wanted. 'I need \$2,000,' I said, and I got it. To that loan I attribute whatever success I have had in life since."

The taking of Mr. Rockefeller's testimony will be continued tomorrow. Mr. Rockefeller had left the offices of the Standard Oil company shortly before 2 p. m. He was accompanied to the customs house, where the hearing is being held, by John G. Milburn and Morris Rosenthal, of counsel for the Standard Oil company. On his way Mr. Rockefeller was photographed by several newspaper photographers. He made no objection.

TAKES WITNESS STAND.

Mr. Rockefeller had scarcely entered the courtroom when his counsel mentioned him to take the witness chair. The president of the Standard Oil com-

PRIZES FOR

Christmas News

The Deseret News offers a cash prize of \$50 for the best story submitted for the Christmas issue, to be printed on Saturday, Dec. 19th 1908. The story must contain not more than 8,500 words, or about 7 columns, one page, of Deseret News type, and all manuscripts must be delivered at the "News" office not later than Nov. 30.

The Deseret News also offers a cash prize of \$25.00 for the best Christmas poem submitted for the Christmas issue. The poem to consist of not more than 1,200 words, and the manuscript to be in the "News" office by Nov. 26th.

Stories and poems submitted for the CHRISTMAS NEWS competition should be signed with an initial or nom de plume, and accompanied by a sealed envelope containing the real name and address of the author.

Those desiring manuscripts returned should enclose the necessary postage.

Address all contributions:
The Deseret News,
Salt Lake City
Christmas Contest Dept.

dence in New York to develop the business here and to save expenses. "When did the next change take place?"

THE NEW FIRM.

"In 1867 all the properties of Rockefeller and Andrews, William Rockefeller and Company and Rockefeller and Company were taken over by the firm made up of Rockefeller, Andrews & Flager. Mr. Flager was a man of large business experience, and was a valuable addition to the firm. A large amount of capital was put into the firm. The company engaged in the refining of oil, which was sold in this country and abroad."

"I think that three years later, in 1870, the Standard Oil company of Ohio, organized with a capital of \$1,000,000, and with a stock of capital for the production of crude oil was Venango county, in the western part of Pennsylvania," said Mr. Rockefeller.

He looked to Ohio to obtain the crude oil, and the refining plants of the company were at Cleveland, Pittsburgh, Parkersburg, Baltimore and New York.

"What had been the course of the development of the industry at that time?"

"There had been rapid development in the refining and refining of oil. The business of refining was rapidly growing, and as a result, many refineries were built. People turned to this business of refining oil who were not necessarily the best trained business men. The Standard Oil company put up all the refineries possible."

"Was Mr. Andrews a practical refiner?"

"That was the reason he was given a part in the business," said Mr. Rockefeller. "He was a practical refiner of oil, and it gave him an excellent opportunity to associate himself in the business in this way."

BEST DISTRIBUTING POINT.

In answer to a question Mr. Rockefeller said that Cleveland was the best distributing point to obtain the domestic trade, and that was why that they had a long haul to the seaboard for the export trade.

"What was the comparative size of the industry to others at that time in 1870?"

"I believe it was the largest in the country at that time."

"The company was capitalized at \$1,000,000. Was that considered a large capitalization?" asked Mr. Milburn.

"Yes," replied Mr. Rockefeller. "It was considered very large. We started in 1860 with \$4,000."

Mr. Rockefeller said they made many improvements in the business. One thing they did was to manufacture their own barrels at a saving of one-half. He said the savings on the barrels represented a large part of the company and represented one of the innovations developed in the company.

"The things that we used from time to time were applied to produce at prices lower than that which we previously paid, as our capital increased," said Mr. Rockefeller.

"Let me ask you about the house which you established here," said Mr. Milburn.

"Yes, that was an advantage. That gave us an opportunity to learn of the foreign markets and the export trade. We were constantly in need of increasing capital as our business developed, and in New York we were enabled to secure larger sums of money at lower rates than in the west. We were able to obtain large sums of money and I am thankful to say we always had good credit. We always kept our accounts and paid our bills. Our ability to secure large loans was of great advantage to us. Thus we extended our facilities with New York bankers with whom we kept our deposits, and we got our money at the cheapest rates in the money market in the world."

BRANCHING OUT.

Through the acquaintance made by William Rockefeller with wealthy men in New York connections were formed enabling the company to borrow large sums for the further extension of the business and the development of the property, and I organized the firm of Rockefeller & Andrews," he said.

"Did you continue in the refinery business?"

"Yes."

"Did your business increase?"

"Yes," said Mr. Rockefeller. "It increased steadily."

"What developments or change in the company took place later?"

"Well, in 1866 there was a change. The firm was William Rockefeller & Company continued until 1866, when it was dissolved. I bought the business and my brother, and the company was Rockefeller & Andrews."

Mr. Rockefeller said the refinery of this company was in Cleveland; that afterwards another company, under the name of William Rockefeller and Company, was organized in New York. The same firm members that composed the Cleveland company made up the New York company.

Asked what had been the course of the oil business up to the time of the organization of the Standard Oil company of Ohio, Mr. Rockefeller replied:

"We had a steady growth and increase from the organization of the first firm in 1860 or 1862 until that time."

Mr. Rockefeller said that every member of the firm devoted his entire time and attention to promoting the company's growth, and that none of them had any other business. He said the company did a refining and warehouse business, and that his brother, William Rockefeller, took up his resi-

tion. I may say for myself that they were the kind of negotiations I have always used no other."

"You had faith in the business, Mr. Rockefeller?"

"Oh, yes," he replied.

"But some did not?"

"Yes, that is so."

Concerning the state of the refinery business in the early seventies, Mr. Rockefeller said it was generally understood that it was on an uncertain ground and encountered unusual hazards. There had been too many refineries built, and it was recognized that an increased demand for oil would have to be created.

"It was always considered a business risk, the refining of oil," said Mr. Rockefeller. "and it is a very hazardous business today and not to be classed with banking or some railroad business."

Mr. Rockefeller then was asked about the payments made for the companies.

"I do not know what proportion was cash or stock, possibly half cash and half of stock," said Mr. Rockefeller. "The general preference was for good hard cash with which to invest in something else."

SOUTH IMPROVEMENT CO.

Regarding the South Improvement company, Mr. Rockefeller said that while the Standard took a little interest in it they had little to do with it.

"We did not entertain the views of those in charge of it, and were not in sympathy with it," he added. He gave the names of those identified with the South Improvement company, stating that they were identified with the Pennsylvania oil fields.

"They were hauling their oil over the Pennsylvania railroad," said Mr. Rockefeller. "These gentlemen were active in the Pennsylvania oil field. One of them, Peter Watson, was identified with Mr. Scott, president of the Pennsylvania railroad."

"Did you ever negotiate for the charter of the South Improvement company?"

"I never did," said Mr. Rockefeller. "We did not share their views and we frankly told them so more than once. It was not a scheme which we ourselves would care for."

"Why did you take an interest in it?"

"It should be remembered that Mr. Scott was a potent factor in the Pennsylvania railroad who was not to be disregarded by the railroads or shippers. We did not wish to break with these gentlemen, especially with Mr. Scott. We only had a minority interest."

The scheme of the South Improvement company, he declared, was a failure. It never went into operation, it having aroused great opposition among the oil interests in Pennsylvania.

"It did not take very long for our friends, the producers, down there to make opposition to it, they having the characteristics of miners the world over," said Mr. Rockefeller, who was asked to tell of the formation of the producers' union, when, on request of the Standard's counsel, an adjournment was taken until tomorrow.

Mr. Rockefeller interrupted the motion, stating that he was willing to remain as long as desired, but nodded assent to counsel when his lawyers shook their heads.

The hearing adjourned at 4:22, with Mr. Rockefeller still on the witness stand. It will be resumed tomorrow morning.

A large crowd saw Mr. Rockefeller leave the customs building and depart for his home.

A BROTHERS' QUARREL.

Reuben Crown Shoots Joseph Crown And Commits Suicide.

Pittsburg, Nov. 18.—Reuben Crown, until recently a follower of eastern race tracks, lies dead on a slab in the county morgue tonight from a bullet wound. Joseph Crown, his brother, a practicing attorney in local courts and well known about the city, is in a hospital having between life and death, a bullet having penetrated his chest. Both shots, it is alleged, were fired by Reuben Crown following a quarrel over money matters.

The brothers a number of years ago inherited a valuable piece of property in this city. Joseph applied himself to business and prospered. Reuben, on the other hand, sought the pleasures of life and borrowed upon the property from time to time until three years ago, when, according to the deposition made by Joseph in the hospital tonight, but to the loss of his interest remained. Joseph bought that interest, and since then Reuben has been seeking loans for which he had no security to offer until Joseph finally refused him further advances.

Reuben, it is said, had been here since early in September, but where or how he had no one seems to know. Late today he appeared at Joseph's office in the Bakersfield building and asked another loan. Occupants heard Joseph order Reuben out of the room. He left, but returned a short while later, and according to Joseph's deposition, said:

"I am here to kill you."

He tried to lock the door and just as Joseph attempted to leave the room fired a shot into his chest. Joseph staggered into the hall and Reuben followed and fired a second shot, inflicting only a flesh wound. A tenant took care of Joseph.

A moment later another shot was heard and upon investigation Reuben was found prostrate on the floor of Joseph's office, a bullet having been fired into his chest. Both men were sent to a hospital, where Reuben died several hours later.

SNEEZED HIMSELF TO DEATH.

Paterson, N. J., Police Investigating Strange Case of A. M. Taylor.

New York, Nov. 19.—Police investigation will be made today into the death of Andrew M. Taylor, who literally sneezed himself to death in Paterson, N. J., last night. Seized with a fit of sneezing after some practical joker had scattered snuff on the floor of a saloon, he fell exhausted and was stricken with hemorrhage.

The "jokers" took alarm at his plight and physicians were hastily summoned. An investigation showed that the man had broken a blood vessel. The flow of blood was checked temporarily, but broke out anew in a short time and Taylor expired. He was 40 years old, and leaves a widow.

COFFEE

Water is better and cheaper than poor coffee.

Your grocer returns your money if you don't like Schilling's Best. We pay him.

Gifts selected now will be held for purchaser until Christmas if a small deposit is paid.

Phone 65
For the correct time.

KLEAN KOAL
Our Motto: A satisfied customer the best Ad.
CO-OP. FUEL CO.,
Phones 448, 346 So. 2nd West.

No COERCIVE MEASURES.
"None whatever," said Mr. Rockefeller. "They were all fair negotiations."

THE SATURDAY EVENING POST

An Illustrated Weekly Magazine
Founded A. D. 1728 by Benj. Franklin

NOV. 21, 1908 5cts. THE COPY



THANKSGIVING NUMBER

The pie this week is large and juicy. A mince pie composed of various succulent ingredients: meaty, spicy and full of flavor

Here are some of the things that went into its making:

Little Corky By Edward Hungerford

A short story about a busy man who tried to select a wife as he would an automobile.

American Humor

A pie in itself. Full of the best anecdotes and bon mots of these and older days.

The Marauder By George Pattullo

A story that makes you want to oil your gun, mend your rod, pack your kit and get out on the trail again, with a good horse under you.

The Buying End

For retail merchants. It points out the difference between success and failure, and shows how to achieve the one and avoid the other.

Romance at Random

Narrating the evening adventures of a young English nobleman, slightly bored and in search of a new sensation—which he gets.

Memories of Authors

An intimate personal reminiscence of a life-long friendship with Bayard Taylor.

Thanksgiving Number

\$1.50 the year by mail 56 PAGES 5c the copy of all newsdealers

Our Boys are Everywhere

THE CURTIS PUBLISHING COMPANY, Philadelphia, Pennsylvania

Delivered to any address on request to

S. ROWLAND SCHRAMM,
27 Mercantile Block.

GOOD TEA

Good tea is half a meal. Poor tea will spoil a good meal. Some poor tea looks better than good ones, but the strength and flavor is not there. A careful housewife in ordering her goods should gently but firmly insist on having

HEWLETT'S THREE CROWN

Natural Uncolored

JAPAN TEA.

House-Cleaning

Season is here. Nothing so

Sanitary.

Refreshing and

Economical as

Muresco

Wall Finish and

M and P Paint

We also carry Wall Paper Cleaner and Furniture Polish.

SALT LAKE GLASS

& PAINT COMPANY

No. 28 So. Main St.

"That Good Coal."

THE LONG CLEAR

FLAME FROM CLEAR

CRACKS—coal makes it

especially nice for grates

and furnaces. There's little

smoke or dirt and the

lumps burn so long, too.

Bamberger,

161 Meighan St., U.S.A.

